United States Department of Agriculture
National Agricultural Statistics Service

WEEKLY AG UPDATE

USDA/NASS
NEW MEXICO FIELD OFFICE
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Crop Weather Pecan Production Dairy Outlook

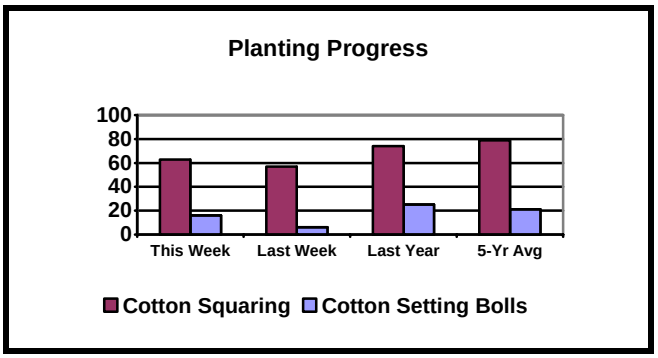
Available on the Internet: www.nass.usda.gov/nm , or by email (1-800-530-8810 for information)

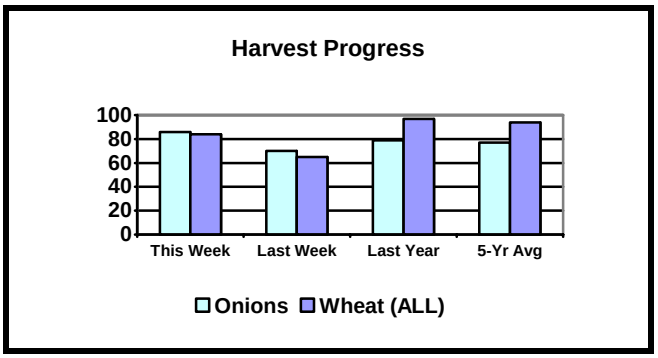
CROP SUMMARY FOR THE WEEK ENDING JULY 8, 2007

NEW MEXICO: There were 6.5 days suitable for field work. Topsoil moisture was 8% very short, 39% short, 43% adequate, 10% surplus. Wind damage was 16% light. Farmers spent the week cutting and bailing hay, irrigating and harvesting crops. Alfalfa was reported as 1% poor, 19% fair, 56% good and 24% excellent with 92% of the second cutting complete and 50% of the third cutting complete. Cotton was reported as 27% poor, 31% fair, 26% good and 16% excellent with 63% squaring and 16% setting bolls. Corn was reported as 4% poor, 10% fair, 56% good and 30% excellent with 18% silked. Irrigated sorghum was reported as 9% fair, 90% good , 1% excellent. Dry sorghum was reported as 10% fair and 90% good. Total sorghum was reported as 10% fair and 90% good. Irrigated winter wheat was reported as 4% fair, 85% good and 11% excellent with 93% harvested. Dry winter wheat was reported as 37% fair, 63% good with 78% harvested. Total winter wheat was reported as 24% fair, 72% good and 4% excellent with 84% harvested. Chile was reported as 5% very poor, 16% poor, 35% fair, 32% good and 12% excellent. Onion conditions were reported as 7% poor, 17% fair, 32% good and 44% excellent with 86% harvested. Apples were reported as 25% poor, 50% fair and 25% good. Pecans were reported as 1% very poor, 20% fair, 31% good and 48% excellent. Peanuts were reported as 75% fair, 23% good, 2% excellent with 35% pegging. Cattle conditions were reported at 1% very poor, 2% poor, 15% fair, 65% good and 17% excellent. Sheep conditions were reported as 7% very poor, 10% poor, 13% fair, 52% good and 18% excellent. Range and pasture conditions were reported as 6% very poor, 12% poor, 30% fair, 42% good and 10% excellent. Ranchers are hauling water, preparing to supplement feed and spraying mesquite bushes.

CROP PROGRESS PERCENTAGES WITH COMPARISONS

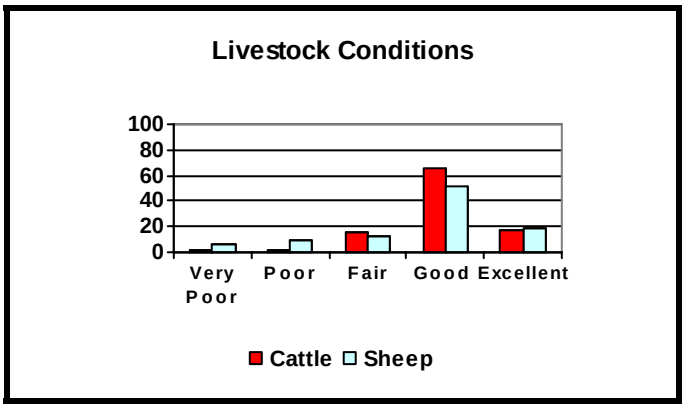
CROP PROGRESS		This Week	Last Week	Last Year	5-Year Average
COTTON	Squaring	63	57	74	79
COTTON	Setting Bolls	16	6	25	21
ONIONS	Harvested	86	70	79	77
PEANUTS	Pegging	35	30	47	50
WHEAT (ALL)	Harvested	84	65	97	94





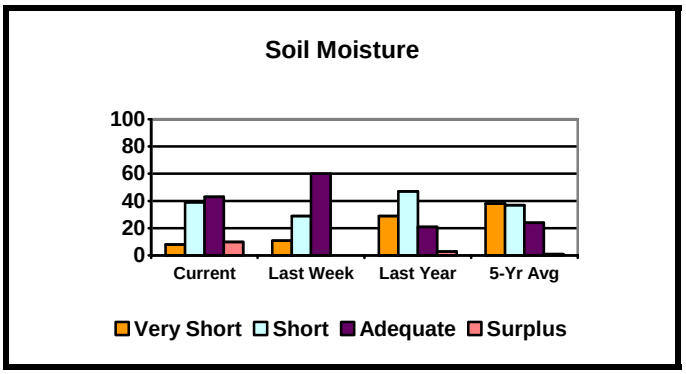
CROP AND LIVESTOCK CONDITION PERCENTAGES

	Very Poor	Poor	Fair	Good	Excellent
Alfalfa	---	1	19	56	24
Corn	---	4	10	56	30
Cotton	---	27	31	26	16
Chile	5	16	35	32	12
Pecans	1	---	20	31	48
Onions	---	7	17	32	44
Peanuts	---	---	75	23	2
Sorghum (All)	---	---	10	90	---
Wheat (All)	---	---	24	72	4
Cattle	1	2	15	65	17
Sheep	7	10	13	52	18
Range/Pasture	6	12	30	42	10



SOIL MOISTURE PERCENTAGES

	Very Short	Short	Adequate	Surplus
Northwest	19	61	20	---
Northeast	4	49	47	---
Southwest	---	10	65	25
Southeast	---	6	63	31
State Current	8	39	43	10
State-Last Week	11	29	60	---
State-Last Year	29	47	21	3
State-5-Yr Avg.	38	37	24	1



WEATHER SUMMARY

The general trend for the 4th of July week included near to slightly below normal temperatures in the eastern half of the state of New Mexico, while the western half experienced above normal temperatures. This past week's precipitation was primarily composed of afternoon thunderstorm activity with most locales recording measurable rainfall. Data was incomplete at a few sites including Animas, Capulin, Carrizozo, and Socorro.

NEW MEXICO WEATHER CONDITIONS - JULY 2 - 8, 2007

Station	Temperature			Precipitation				
	Mean	Maximum	Minimum	07/02 07/08	07/01 07/08	01/01 07/08	Normal July	Normal Jan-July
Farmington	77.9	98	54	0.00	0.00	5.03	0.94	4.31
Gallup	75.1	98	53	0.21	0.21	4.01	1.91	6.10
Capulin	65.8	87	45	0.09	0.09	11.66	3.25	10.52
Chama	68.2	93	45	0.18	0.18	10.49	2.24	11.08
Johnson Ranch	73.0	97	52	0.05	0.05	3.65	1.66	5.43
Las Vegas	67.2	85	51	0.22	0.22	7.91	3.20	9.60
Los Alamos	71.3	92	52	0.20	0.20	5.48	3.25	9.66
Raton	69.8	90	50	1.24	1.50	6.31	2.66	9.82
Red River	59.7	84	36	0.62	0.73	12.48	3.01	11.93
Santa Fe	73.6	96	53	0.00	0.00	5.13	2.38	7.64
Clayton	74.5	97	57	0.00	0.00	8.05	2.70	9.00
Clovis	75.2	93	59	0.52	0.52	11.24	2.56	9.57
Roy	71.6	91	53	0.15	0.15	7.81	2.97	9.03
Tucumcari	78.7	99	61	0.00	0.00	6.88	3.30	8.57
Grants	72.0	98	48	0.16	0.16	3.58	1.76	4.79
Quemado	69.9	95	44	0.23	0.23	2.19	2.37	6.56
Albuquerque	79.6	100	63	0.35	0.35	4.92	1.37	4.42
Carrizozo	73.9	97	53	0.21	0.21	5.45	2.05	5.55
Socorro	76.6	100	58	0.76	0.76	4.65	1.44	3.94
Gran Quivira	73.4	97	52	0.44	0.44	6.17	2.81	7.52
Moriarty	70.9	96	51	0.32	0.32	6.39	2.38	6.37
Ruidoso	64.7	85	47	1.68	1.79	14.19	4.02	10.99
Carlsbad	79.3	98	64	0.30	0.30	9.68	1.79	5.74
Roswell	78.4	97	60	0.37	0.37	8.50	1.99	6.74
Tatum	75.1	95	59	0.91	0.91	13.15	2.52	8.69
Alamogordo	80.1	96	62	0.08	0.08	3.05	2.23	5.51
Animas	83.1	103	64	0.11	0.11	3.26	2.26	4.74
Deming	82.9	105	64	0.00	0.00	3.20	2.15	4.43
Las Cruces	81.6	101	66	0.02	0.02	4.84	1.36	3.63
T or C	80.9	103	65	0.00	0.00	3.53	1.86	4.44

(T) Trace (-) No Report (*) Correction
All reports based on preliminary data. Precipitation data corrected monthly from official observation forms.

PECAN PRODUCTION

NEW MEXICO: Pecan production in New Mexico totaled 46 million pounds in 2006, a low bearing year in the alternating cycle of the trees. This was 29% lower than 2005's 65 million pounds, but 18% higher than 2004's 39 million pounds, the previous low bearing year in the cycle. Price per pound increased $0.15 to $1.85, the highest price in the United States. Production was valued at $85.1 million, compared to $110.5 million in 2005 and $88.9 million in 2004.

UNITED STATES: Pecan production in 2006 totals 103,150 tons, a 26 percent drop from 2005. The hazelnut crop, at 43,000 tons, is 56 percent larger than the previous year.

All Pecans: Utilized Production, Price and Value of Production, State and U.S., 2005-2006

State	Utilized Production		Price Per Pound		Value of Production	
	2005	2006	2005	2006	2005	2006
	----------1,000 Pounds---------		----------Dollars----------		----------1,000 Dollars---------	
Improved Varieties[1/]						
AL	3,200	5,400	1.160	1.260	3,712	6,804
AZ	22,000	14,000	1.600	1.750	35,200	24,500
AR	1,100	1,150	1.400	1.330	1,540	1,530
CA	3,950	3,400	1.800	1.720	7,110	5,848
FL	300	200	1.400	1.800	420	360
GA	72,000	36,000	1.320	1.640	95,040	59,040
LA	1,000	3,500	1.750	1.400	1,750	4,900
MS	800	200	1.900	1.300	1,520	2,600
MO	200	160	1.880	1.650	376	264
NM	**65,000**	**46,000**	**1.700**	**1.850**	**110,500**	**85,100**
NC	1,650	420	1.000	1.350	1,650	567
OK	6,000	5,000	1.900	1.700	11,400	8,500
SC	1,500	900	1.090	1.790	1,635	1,611
TX	50,000	33,000	1.590	1.790	79,500	59,070
U.S.	228,700	151,130	1.540	1.720	351,353	260,694
Native & Seedling						
AL	800	600	0.840	0.970	672	582
AR	1,200	1,050	1.100	1.150	1,320	1,208
FL	700	300	0.850	1.500	595	450
GA	8,000	6,000	0.800	1.210	6,400	7,260
KS	3,200	2,000	1.300	1.300	4,160	2,600
LA	4,000	17,500	1.000	0.900	4,000	15,750
MS	200	500	1.200	1.000	240	500
MO [2/]	2,400	940	1.240	1.350	2,976	1,269
NC	350	80	0.800	1.000	280	80
OK	15,000	12,000	1.200	1.150	18,000	13,800
SC	700	200	0.820	1.050	574	210
TX	15,000	14,000	1.090	1.160	16,350	16,240
U.S.	51,550	55,170	1.080	1.090	55,567	59,949
All Pecans	280,250	206,300	1.450	1.550	406,920	320,643

[1/] Budded, grafted, or top-worked varieties.

UNITED STATES DEPARTMENT OF AGRICULTURE
NEW MEXICO AGRICULTURAL STATISTICS
PO BOX 1809
LAS CRUCES, NM 88004-1809

DAIRY OUTLOOK

USDA, ERS, JUNE 19, 2007-07-09

Commercial Use of Milk Rises Faster Than Production Expansion; Expect Higher Prices: Higher dairy product prices and anticipated moderating feed prices appear to be ameliorating the expected reduction in dairy herd size. Culling rates have declined, as higher milk prices have kept some cows in the herd despite high feed prices. The herd size is projected to be 9.115 million head for 2007, virtually unchanged from 2006. Production per cow will likely move above the 2006 level to 20,220 pounds. A return to more normal pasture conditions in most of the country could ease alfalfa prices and encourage feeding, but continued drought in most of the southeastern States will continue to plague milk production in that region. Total milk production in 2007 is expected to be about 184.3 billion pounds. In 2008, cow numbers are forecast to rebound slightly to 9.125 million pounds and production is forecast to increase to 188.4 billion pounds. The milk–feed price ratio is projected to climb into the 2.9 range for this year and could be slightly higher in 2008, and these levels would likely signal expansion.

Growth in commercial use of all products will continue to outpace production growth in 2007, with production increases catching up in 2008. Continued strong demand for dairy products, especially dry products, is having an impact throughout the dairy complex. Cheese prices have risen through May, but cheese stocks at the end of April were higher year-over-year, with most of the rise in other than American-style cheeses. Some of the stock building may be in anticipation of even higher prices later in the year. High prices for nonfat dry milk (NDM) may be increasing costs for Italian-type cheese manufacturers. Prices for cheese are expected to range from $1.605 to $1.645 per pound in 2007. Some pullback is expected in 2008, with prices forecast from $1.485 to $1.585 per pound.

Tight global supplies for dry milk products are expected to keep domestic prices for NDM high through 2007. European Union stocks are low and milk production there is moving into cheese. Australian production has been significantly reduced because of drought and is not expected to recover this year. The average NDM price is expected to range from $1.610 to $1.650 per pound in 2007. Some easing could come toward the end of 2008; however, prices will remain high by historic standards. The 2008 forecast is for the average NDM price to be $1.560 to $1.630 per pound.

Domestic butter prices are forecast above historic norms due to continued strength in demand and limited production growth. In 2007, the average butter price is expected to average from $1.370 to $1.440 per pound. For 2008, the forecast range is $1.350 to $1.480 per pound. Whey prices, which have also risen, will likely plateau at new higher levels, averaging 68.5 to 70.5 cents a pound in 2007 and remaining close to 2007 prices at 65.0 to 68.0 cents a pound in 2008.

The tight supply situation in the butter-powder market will push the average annual Class IV price to the $17.85 to $18.35 per cwt range in 2007, as Class IV prices are expected to continue to rise throughout the year. The product market this year presents the unusual situation that the Class IV price is the driver for Class I prices. The Class III price is projected to rise to an average $17.30 to $17.70 per cwt for the year. The reported all milk price is expected to be sharply higher in 2007 and will likely average $18.55 to $18.95 per cwt for the year. Strong milk prices will likely continue into 2008. The Class IV price is forecast to average $17.25 to $18.35 per cwt, and the Class III prices $15.95 to $16.95 per cwt. The all milk price is forecast to average $17.90 to $18.90 per cwt for 2008, a slight decline.